REMARKS

In the application claims 4-9 remain pending. Claims 1-3 have been previously canceled. No claims have been added and no amendments are being made herewith.

Pending claims 4-9 presently stand rejected under 35 U.S.C. § 103 as being rendered obvious by the combination of Caveney (U.S. Patent No. 5,608,621) and Tsukishima (U.S. Patent No. 6,535,773).

The reconsideration of the rejection of the claims is respectfully requested.

In rejecting the claims, it was acknowledged that Caveney fails to disclose the use of an inventory management system over a plurality of distribution points in a supply chain. It was alleged, however, that Tsukishima discloses in Col. 7, lines 41-67 a part-based expansion arithmetic unit (34) designed to arithmetically determine inventory allotment (shares apportioned), lot arrangement, and lead time as part of an MRP procedure "in order to optimize the supply chain." As such, it was concluded that it would have been obvious to modify Caveney with an inventory allotment method "over a plurality of distribution points" as taught by Tsukishima "in order to optimize the supply chain."

In response to this rejection of the claims, it is again respectfully submitted that, at a minimum, a rejection under 35 U.S.C. § 103 requires that a combination of references disclose, either expressly or inherently, each and every element, considering each and every word, set forth within a claim under consideration.

As acknowledged in the rejection of the claims Caveney "fails to explicitly disclose the use of an inventory management system over a plurality of distribution points in the supply chain." Thus, by generally failing to disclose, teach, or suggest using an inventory management system to manage items over a plurality of distribution points in the supply chain, it is
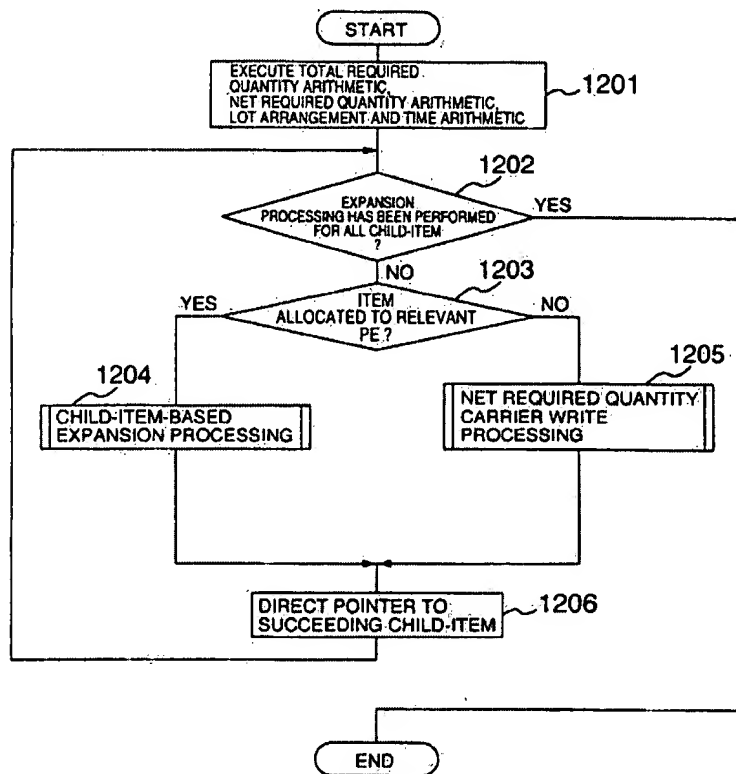
respectfully submitted that Caveney must also fail to disclose, teach, or suggest the specifically claimed using a critical stocking ratio "to apportion the total quantity of each of the plurality of items which can be held in inventory over the forecast period in shares to a plurality of distribution points in the supply chain..."

Considering now Tsukishima, it is respectfully submitted that Tsukishima also fails to disclose, teach, or suggest the claimed using a critical stocking ratio for each of the plurality of items "to apportion the total quantity of each of the plurality of items which can be held in inventory over the forecast period in shares to the plurality of distribution points in the supply chain..." In this regard, it is respectfully submitted that Tsukishima simply fails to disclose, teach, or suggest arithmetically determining inventory allotment (shares apportioned) in order to "optimize a supply chain" as asserted within the Office Action.

Considering now Tsukishima, while Tsukishima may use the word "allotment" in Col. 7, lines 41-67 it is respectfully submitted that Tsukishima is not using the word "allotment" in any manner that is relevant to the claimed "using the critical stocking ratio for each of a plurality of items to *apportion the total quantity of each of the plurality of items* which can be held in inventory over the forecast period *in shares to the plurality of distribution points* in the supply chain..." Rather, in Col. 7, lines 41-67, Tsukishima is merely referring to the fact that the process performed by the "part-based expansion" arithmetic unit (34) functions to allot inventory items *between one of a plurality of processor elements* ("PEs") which include the programming for controlling the MRP arithmetic operations. That the inventory "allotment" generally alluded to in Col. 7, lines 41-67 is nothing more than a process for "allotting" items to one of a plurality of processor elements is particularly described in Col. 14, lines 1-37 and illustrated in the "part-based expansion" process flow chart of Fig. 12, which is reproduced below, as element 1203:

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FIG. 12

FLOW CHART OF PART-BASED EXPANSION ARITHMETIC PROCESSING

```
                    ┌──────────┐
                    │  START   │
                    └──────────┘
        ┌─────────────────────────────────┐
        │ EXECUTE TOTAL REQUIRED          │      1201
        │ QUANTITY ARITHMETIC,            │~─
        │ NET REQUIRED QUANTITY ARITHMETIC,│
        │ LOT ARRANGEMENT AND TIME ARITHMETIC│
        └─────────────────────────────────┘
                                    1202
                   EXPANSION                    YES
              PROCESSING HAS BEEN PERFORMED ──────
                  FOR ALL CHILD-ITEM
                         ?
                        NO        1203
             YES        ITEM           NO
              ─── ALLOCATED TO RELEVANT ───
                        PE ?
    1204                              1205
     ~─                               ~─
 ┌──────────────────┐        ┌──────────────────────┐
 │ CHILD-ITEM-BASED │        │ NET REQUIRED QUANTITY │
 │ EXPANSION PROCESSING│     │ CARRIER WRITE         │
 └──────────────────┘        │ PROCESSING            │
                             └──────────────────────┘
            ┌──────────────────┐
            │ DIRECT POINTER TO │~─1206
            │ SUCCEEDING CHILD-ITEM│
            └──────────────────┘

                    ┌──────────┐
                    │   END    │
                    └──────────┘
```

Thus, when Tsukishima is considered in its entirety as is required, it is respectfully submitted

that it is evident that the "allotment" disclosed within Tsukishima is nothing more than a process

for allocating inventory among different processor elements towards determining type of items,

quantities of items, and delivery terms for items required for timely manufacture of an article.

As such, it is respectfully submitted that the "allotment" disclosed within Tsukishima fails to

have any relevance to using a critical stocking ratio for each of a plurality of items to "*apportion*

the total quantity of each of the plurality of items which can be held in inventory over the

forecast period *in shares to the plurality of distribution points* in the supply chain..." as is
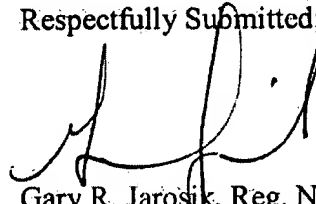
claimed.

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Based upon the foregoing it is respectfully submitted that neither Caveney nor Tsukishima disclose, teach, or suggest at least those claimed elements directed to performing inventory management over a plurality of distribution points in a supply chain, particularly the claimed using a critical stocking ratio for each of a plurality of items to "*apportion the total quantity of each of the plurality of items* which can be held in inventory over the forecast period *in shares to the plurality of distribution points* in the supply chain..." Accordingly, it is respectfully submitted that the combination of Cavency and Tsukishima cannot support a *prima facie* case of obviousness. For at least this reason it is respectfully submitted that the rejection of the claims under 35 U.S.C. § 103 must be withdrawn.

CONCLUSION

It is respectfully submitted that the application is in good and proper form for allowance. Such action of the part of the Examiner is respectfully requested.

Should it be determined, however, that a telephone conference would expedite the prosecution of the subject application, the Examiner is respectfully requested to contact the attorney undersigned.

Respectfully Submitted;

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